

CHAPTER 440

(Senate Bill 358)

AN ACT concerning

Creation of a State Debt - Home Financing

FOR the purpose of authorizing the creation of a State Debt in the amount of ~~\$10,000,000~~ \$7,500,000, the proceeds to be used to provide mortgage money for disadvantaged and low-income citizens of Maryland; and providing generally for the issue and sale of bonds evidencing the loan.

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That:

(1) The Board of Public Works may borrow money and incur indebtedness on behalf of the State of Maryland through a State loan to be known as the Maryland Home Financing Loan of 1979 in the aggregate principal amount of ~~\$10,000,000~~ \$7,500,000. This loan shall be evidenced by the issuance and sale of State general obligation bonds authorized by a resolution of the Board of Public Works and issued, sold and delivered in accordance with the provisions of §§ 19 to 23 of Article 31 of the Annotated Code of Maryland (1976 Replacement Volume and 1978 Supplement, as amended from time to time).

(2) The bonds issued to evidence this loan or installments thereof may be sold as a single issue, or may be consolidated and sold as part of a single issue of bonds under § 2B of Article 31 of the Code.

(3) The actual cash proceeds of the sale of the bonds shall be paid to the Treasurer and shall be first applied to the payment of the expenses of issuing and delivering the bonds unless funds for this purpose are otherwise provided and thereafter shall be credited on the books of the State Comptroller and expended, upon approval by the Board of Public Works, to provide a fund to make loans to certain citizens of Maryland to purchase homes pursuant to the provisions of §§ 266FF-1 through 266FF-4 of Article 41 of the Annotated Code of Maryland (1978 Replacement Volume and 1978 Supplement, as amended from time to time).

(4) Except for amounts required for administrative costs, all scheduled payments (timely or late) of principal and interest on loans made from the proceeds of the bonds authorized to be issued by this Act, and made pursuant to the provisions of §§ 266FF-1 through 266FF-4 of Article 41, shall be used to repay the interest on and principal of any bonds issued under this Act. Any prepayment of the principal on a loan may be used to make additional loans under the Maryland Home Financing Program, which loans shall